

Scotia INNOVA Portfolios[®]

Annual Information Form

November 12, 2015

Scotia INNOVA Income Portfolio (Series A and Series T units)

Scotia INNOVA Balanced Income Portfolio (Series A and Series T units)

Scotia INNOVA Balanced Growth Portfolio (Series A and Series T units)

Scotia INNOVA Growth Portfolio (Series A units)

Scotia INNOVA Maximum Growth Portfolio (Series A units)

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The Portfolios and the units they offer under this annual information form are not registered with the U.S. Securities and Exchange Commission. Units of the Portfolios may be offered and sold in the United States only in reliance on exemptions from registration.

TABLE OF CONTENTS

NAMES AND FORMATION OF THE PORTFOLIOS	1
INVESTMENT RESTRICTIONS AND PRACTICES.....	6
Self-Dealing Restrictions	6
Derivatives	7
Securities Lending, Repurchase and Reverse Repurchase Transactions	8
Short Selling.....	8
UNITS OF THE PORTFOLIOS.....	9
What are units and series of units of the Portfolios?	9
Series A Units and Series T Units.....	10
How the Units are Valued.....	11
Valuation of Portfolio Securities and Liabilities	11
HOW TO PURCHASE AND SELL UNITS OF THE PORTFOLIOS.....	13
How to Purchase Units.....	13
Sales Charges	15
Trailing Commissions and Sales Incentive Programs	15
How to Switch Portfolios.....	15
How to Reclassify Units	15
How to Sell Units.....	15
How to Submit a Sell Order.....	16
INVESTMENT OPTIONS	17
Pre-Authorized Contributions	17
Registered Plans.....	18
Automatic Withdrawal Plan.....	18
INCOME TAX CONSIDERATIONS FOR INVESTORS	19
Taxation of the Portfolios	19
Non-Qualification of a Mutual Fund Trust.....	20
Taxation of Unitholders	21
Eligibility for Registered Plans.....	23
U.S. Foreign Account Tax Compliance Act of 2009 (“FATCA”)	23
HOW THE PORTFOLIOS ARE MANAGED AND ADMINISTERED	24
The Manager	24
The Portfolio Advisor	28
Portfolio Governance	28
Policies on the Use of Derivatives	31
The Distributor.....	31
Portfolio Transactions and Brokers	31
Custodian	32
Changes to the Master Declaration of Trust	33
Affiliated Entities.....	33

TABLE OF CONTENTS
(continued)

	Page
Principal Holders of Securities	33
Remuneration of Trustee and Members of the IRC	34
Material Contracts	35
Securities Lending Agent Agreement	36
Related Party Transactions	36
Auditor, Transfer Agent and Registrar	36
The Promoter	37
 CERTIFICATES OF THE PORTFOLIOS, THE MANAGER AND THE PROMOTER OF THE PORTFOLIOS	 38
 CERTIFICATE OF PRINCIPAL DISTRIBUTOR	 39

NAMES AND FORMATION OF THE PORTFOLIOS

This is the annual information form of the Scotia INNOVA Income Portfolio, Scotia INNOVA Balanced Income Portfolio, Scotia INNOVA Balanced Growth Portfolio, Scotia INNOVA Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio (in this document these mutual funds are collectively referred to as the “Portfolios” and individually as a “Portfolio”).

1832 Asset Management L.P. (the “Manager”) is the trustee and manager of the Portfolios. The head office of the Manager and of the Portfolios is located at 1 Adelaide Street East, 28th Floor, Toronto, Ontario, M5C 2V9. The Manager can also be contacted via telephone toll-free, at 1-800-268-9269 (416-750-3863 in Toronto) or via email through its website at www.scotiabank.com. Information regarding the Manager can be obtained on its website at www.scotiabank.com.

The following chart describes the manner in which each Portfolio was created and any amendments to the Portfolios:

Name of Portfolio	Jurisdiction	Creation and Amendments
Scotia INNOVA Income Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> Created by an amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> Master Declaration of Trust and Management Agreement assigned to the Manager by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of the ScotiaFunds, which re-designated all “classes” of units as “series”. <p>February 21, 2012 (on or about)</p> <ul style="list-style-type: none"> Aurion Capital Management Inc. appointed as sub-advisor.

Name of Portfolio	Jurisdiction	Creation and Amendments
		<p>January 27, 2014 (on or about)</p> <ul style="list-style-type: none"> Aurion Capital Management Inc. removed as sub-advisor. <p>March 2, 2015</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of March 2, 2015 as amended on June 1, 2015. <p>August 20, 2015</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of August 20, 2015.

Name of Portfolio	Jurisdiction	Creation and Amendments
Scotia INNOVA Balanced Income Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> Created by an amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> Master Declaration of Trust and Management Agreement assigned to the Manager by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of the Manager, which re-designated all “classes” of units as “series”. <p>February 21, 2012 (on or about)</p> <ul style="list-style-type: none"> Aurion Capital Management Inc. appointed as sub-advisor. <p>January 27, 2014 (on or about)</p> <ul style="list-style-type: none"> Aurion Capital Management Inc. removed as sub-advisor. <p>March 2, 2015</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of March 2, 2015 as amended on June 1, 2015. <p>August 20, 2015</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of August 20, 2015.
Scotia INNOVA Balanced Growth Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> Created by an amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of

Name of Portfolio	Jurisdiction	Creation and Amendments
		<p>February 14, 2005 and amended and restated as of April 23, 2007</p> <p>November 1, 2009</p> <ul style="list-style-type: none"> • Master Declaration of Trust and Management Agreement assigned to the Manager by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> • Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of the Manager, which re-designated all “classes” of units as “series”. <p>March 2, 2015</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of March 2, 2015 as amended on June 1, 2015. <p>August 20, 2015</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of August 20, 2015.
Scotia INNOVA Growth Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> • Created by an amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> • Master Declaration of Trust and Management Agreement assigned to the Manager by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and

Name of Portfolio	Jurisdiction	Creation and Amendments
		<p>December 11, 2009</p> <p>November 24, 2011</p> <ul style="list-style-type: none"> Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of Scotia Funds, which re-designated all “classes” of units as “series”. <p>March 2, 2015</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of March 2, 2015 as amended on June 1, 2015. <p>August 20, 2015</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of August 20, 2015.
Scotia INNOVA Maximum Growth Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> Created by an amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> Master Declaration of Trust and Management Agreement assigned to the Manager by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of the Manager, which re-designated all “classes” of units as “series”. <p>March 2, 2015</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of March 2, 2015 as amended on June 1,

Name of Portfolio	Jurisdiction	Creation and Amendments
		2015. August 20, 2015 <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of August 20, 2015.

INVESTMENT RESTRICTIONS AND PRACTICES

The Portfolios’ simplified prospectus contains detailed descriptions of the investment objectives, investment strategies and risk factors for the Portfolios. In addition, the Portfolios are subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 – *Investment Funds* (“NI 81-102”), which are designed, in part, to ensure that the investments of the Portfolios are diversified and relatively liquid and to ensure the appropriate administration of the Portfolios. Except for the deviations described below, each Portfolio is managed in accordance with these restrictions and practices. The Portfolios have permission from securities regulatory authorities to deviate from certain provisions of NI 81-102 and from certain provisions of securities laws as described below.

The fundamental investment objectives of a Portfolio may not be changed without the approval of a majority of voting unitholders.

Self-Dealing Restrictions

Offerings Involving a Related Underwriter

The Portfolios are considered dealer managed investment funds and follow the dealer manager provisions prescribed by NI 81-102.

The Portfolios cannot knowingly make an investment during, or for 60 days after, the period in which an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in an offering of equity securities (the “Prohibition Period”), unless the offering is being made under a prospectus and such purchase is made in compliance with the approval requirements of National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”).

The Portfolios, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities from the above requirements in order to:

(a) purchase securities of a Canadian reporting issuer which are (i) equity securities, or (ii) convertible securities, such as special warrants, which automatically permit the holder to purchase, convert or exchange such convertible securities into other equity securities of the reporting issuer once such other equity securities are listed and traded on an exchange, pursuant to a private placement during the Prohibition Period notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer;

(b) purchase non-government debt securities which do not have an approved rating during the Prohibition Period notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer; and

(c) invest in equity securities of an issuer that is not a reporting issuer in Canada during the Prohibition Period, whether pursuant to a private placement of the issuer in Canada or in the United States or a prospectus offering of the issuer in the United States of securities of the same class, notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer.

Transactions with Related Parties

The Portfolios are subject to certain restrictions when dealing with, or investing in, the Manager or parties related to the Manager. The Portfolios, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities from the above requirements in order to:

(a) purchase debt securities from, or sell debt securities to, related dealers that are acting as principal dealers in the Canadian debt securities market, provided such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions; and

(b) purchase long-term debt securities issued by The Bank of Nova Scotia, an affiliate of the Manager, and other related issuers in the primary and secondary markets, provided such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions.

Inter-Fund Trades

The Portfolios have obtained exemptive relief from the Canadian securities regulatory authorities to engage in inter-fund trading, which would otherwise be prohibited under applicable securities legislation. Inter-fund trading permits related investment funds and managed accounts to trade portfolio securities held by one of them with the others. Under the exemptive relief, the Portfolios may engage in inter-fund trading of debt securities and exchange traded securities on certain conditions aimed at ensuring that the trade is made at the market price at the time of the trade and that no additional commissions are paid. The Independent Review Committee (the “IRC”) for the Portfolios and other investment funds managed by the Manager must approve the inter-fund trades in accordance with the approval requirements of NI 81-107.

Derivatives

The Portfolios may use or invest in derivative instruments consistent with their investment objectives and as permitted by applicable securities laws. The Portfolios may use derivatives to hedge against certain investment risks, such as currency and interest rate fluctuations and stock market volatility. The Portfolios may also invest in derivatives for non-hedging purposes, such as creating exposure to domestic and international financial markets, investing in financial market downturns and facilitating and reducing the cost of portfolio transactions. Investing in, or using, derivatives is subject to certain risks. If permitted by applicable securities legislation, the

Portfolios may enter into over-the-counter bilateral derivative transactions with counterparties that are related to the Manager.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Portfolios may enter into securities lending, repurchase and reverse repurchase transactions consistent with their investment objectives and as permitted by applicable securities and tax laws. A securities lending transaction is where a mutual fund lends certain qualified securities to a borrower in exchange for a negotiated fee without triggering a disposition of the securities for tax purposes. A repurchase transaction is where a mutual fund sells a security at one price and agrees to buy it back from the same party at a specified price on a specified date. A reverse repurchase transaction is where a mutual fund buys securities for cash at one price and agrees to sell them back to the same party at a specified price on a specified date. Securities lending, repurchase and reverse repurchase transactions involve certain risks. If the other party to these transactions goes bankrupt or is for any reason unable to fulfill its obligations under the agreement, the Portfolio may experience difficulties or delays in receiving payment. To address these risks, any securities lending, repurchase or reverse repurchase transactions entered into by a Portfolio will comply with applicable securities legislation, including the requirement that each agreement be, at a minimum, fully collateralized by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction. The Portfolios will enter into securities lending, repurchase or reverse repurchase transactions only with parties that we believe, through conducting credit evaluation, have adequate resources and financial ability to meet their obligations under such agreements ("qualified borrowers"). In addition, no Portfolio will expose more than 10% of the total value of its assets with any one entity under these agreements. In the case of securities lending or repurchase transactions, the aggregate market value of all securities lent and sold by a Portfolio will not exceed more than 50% of the net asset value of that Portfolio immediately after the Portfolio enters into such a transaction.

Short Selling

Certain mutual funds may be permitted to engage in a limited amount of short selling under securities regulations. A "short sale" is where a mutual fund borrows securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the mutual fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the mutual fund pays interest to the lender. If the value of the securities declines between the time that the mutual fund borrows the securities and the time it repurchases and returns the securities, the mutual fund makes a profit for the difference (less any interest the mutual fund is required to pay to the lender). In this way, the mutual fund has more opportunities for gains when markets are generally volatile or declining.

The Portfolios engage in short selling only within certain controls and limitations. Securities are sold short only for cash. As well, at the time securities of a particular issuer are sold short by a Portfolio, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net asset value of the Portfolio. The aggregate market value of all securities sold short by a Portfolio will not exceed 20% of the net asset value of the Portfolio. The Portfolio

may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Portfolio also will hold cash cover (as defined in NI 81-102) in an amount, including the Portfolio's assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by a Portfolio to purchase long positions other than cash cover. The Portfolios will also abide by all other NI 81-102 restrictions relating to short selling.

UNITS OF THE PORTFOLIOS

What are units and series of units of the Portfolios?

A Portfolio may offer one or more series of units. Each series is intended for different investors. Each series of units of a Portfolio may have different management fees, administration fees and other expenses attributable to that series of units.

Each of the Portfolios is authorized to issue an unlimited number of series divided into an unlimited number of units, each of which represents an equal undivided interest in the property of that particular Portfolio. Each series participates in its proportionate share of the distributions of net income and net realized capital gains in a calendar year. The value of each unit will fluctuate proportionately with the market value of the assets of a Portfolio.

As a holder of units of a Portfolio, you have the rights described below. Fractional units carry the rights and privileges and are subject to the restrictions and conditions described for units in the proportions that they bear to one unit, except that any holder of a fractional unit is not entitled to vote in respect of such fractional unit.

When issued, units of each Portfolio are fully paid and non-assessable and have no pre-emptive or conversion rights. Fractions of units may also be issued. As a holder of units of a Portfolio, you are entitled to require the Portfolio to redeem your units at the price described under *How to Sell Units*. Your units are generally redeemable without restriction. Upon liquidation or termination of a Portfolio, each unitholder of a series is entitled to participate ratably in the assets of the Portfolio attributable to that series.

Each unitholder of the Portfolio is entitled to vote on certain amendments to the Master Declaration of Trust in accordance with such document or where required by securities laws. A separate series vote is required if a particular series is affected in a manner that is different from other series. At a unitholder meeting called to vote on these issues, a unitholder will be entitled to one vote per unit of a Portfolio.

Subject to any exemption obtained by a Portfolio from applicable securities laws, the following matters currently require unitholder approval pursuant to securities laws:

- the appointment of a new manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of a Portfolio;

- a decrease in the frequency of calculating the net asset value per unit (“NAV per unit”) of a Portfolio;
- changing the basis of the calculation of a fee or expense that is charged to a Portfolio or directly to its unitholders by the Portfolio or the Manager in a way that could result in an increase in charges to the Portfolio or its unitholders, except in certain circumstances as permitted under securities laws;
- introducing a fee or expense, to be charged to a Portfolio or directly to its unitholders by the Portfolio or the Manager in connection with holding units of the Portfolio, in a way that could result in an increase in charges to the Portfolio or its unitholders, except in certain circumstances as permitted under securities laws;
- where a Portfolio undertakes a reorganization with, or transfers its assets to, another issuer, and the Portfolio ceases to continue after the reorganization or transfer of its assets and the transaction results in unitholders of the Portfolio becoming securityholders of the other issuer. Notwithstanding the foregoing, no unitholder approval will be required for such a change if that change is approved by the IRC of the Portfolio, the assets of the Portfolio are being transferred to another mutual fund to which NI 81-102 and NI 81-107 both apply and that is managed by the Manager or an affiliate of the Manager, the reorganization or transfer of assets complies with other relevant securities legislation, and written notice of the reorganization or transfer is sent to the Portfolio’s unitholders at least 60 days prior to the effective date of the reorganization or transfer;
- where a Portfolio undertakes a reorganization with, or acquires assets from, another issuer, continues after such reorganization or acquisition of assets, and the transaction results in the securityholders of the other issuer becoming unitholders of the Portfolio and the transaction would be a material change to the Portfolio; and
- where a Portfolio is restructured into a non-redeemable investment fund or into an issuer that is not an investment fund.

Because unitholders are not charged sales commissions or redemption fees when they invest in or redeem any series of units of the Portfolios, unitholder meetings are not required to approve the introduction of a fee or expense or any increase in the fees or expenses charged to the Portfolios or directly to unitholders if the unitholders of the applicable series are notified of the change at least 60 days before the effective date of the introduction or increase

Series A Units and Series T Units

Each series of units of a Portfolio have different fees and are intended for different investors. All of the Portfolios issue Series A units. Each of the Portfolios, other than Scotia INNOVA Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio, also issue Series T units. All unitholders of a Portfolio are entitled to vote at a meeting of unitholders whenever the matter concerns all unitholders of the Portfolio.

How the Units are Valued

How much a Portfolio is worth is called its “net asset value”. When a Portfolio calculates its net asset value, it determines the market value of all of its assets and subtracts all of its liabilities. Separate net asset values are calculated for each series of a Portfolio at the end of each day based on each series’ share of the Portfolio’s net asset value as determined in accordance with the Portfolio’s Master Declaration of Trust. The series NAV per unit is calculated daily by dividing (i) the current market value of the proportionate share of the assets allocated to the series, less the liabilities of the series and the proportionate share of the common expenses allocated to the series, by (ii) the total number of units of that series outstanding at such time. A unit’s net asset value is very important because it is the basis on which units of a Portfolio are purchased and redeemed. The series NAV per unit of a Portfolio varies from day to day. A Portfolio calculates the net asset value of the units at the close of business on each valuation date. Every day that the Toronto Stock Exchange is open for trading or each other day required for tax, accounting or distribution purposes of each year is a “Valuation Date”. In unusual circumstances, calculation of the NAV per unit may be suspended, subject to obtaining any necessary regulatory approval.

Valuation of Portfolio Securities and Liabilities

The net asset value of a Portfolio must be calculated using the fair value of the Portfolio’s assets and liabilities.

The value of the assets of a Portfolio are calculated using the following valuation principles:

1. the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to shareholders of record on a date as of which the net asset value is being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such amount is not worth the full amount thereof, in which event the value shall be the fair value as determined by the Manager;
2. the value of any security which is listed on a stock exchange or traded on an over-the-counter market will be (A) the closing sale price on that day or, (B) if there is no such closing price, the average of the bid and the ask price at that time, or (C) if no bid or ask price is available, the price last determined for such security for the purpose of calculating net asset value of the Portfolio. The value of interlisted securities shall be computed in accordance with directions laid down from time to time by the Manager. Notwithstanding the foregoing, if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Portfolio upon the disposal of securities necessary to reflect any redemption of units, the value thereof shall be the fair value of such securities as determined by the Manager. In calculating the fair value of foreign securities the Manager will place values on such securities

which, in the Manager's view, most closely reflect the fair value of such securities at the time of net asset value calculation;

3. the value of the securities of any other mutual fund will be the net asset value per security on the Valuation Date or, if such date is not a valuation date of the mutual fund, the net asset value per security on the most recent valuation date for the mutual fund;
4. the value of long positions in clearing corporation options are based on the mid price and the value of long positions in options on futures, debt-like securities and warrants that are traded on a stock exchange or other markets will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and ask prices at that time, all as reported by any report in common use or authorized as official by the stock exchange or, if no bid or ask price is available, the last reported closing sale price of such security;
5. where a covered clearing corporation option or over-the-counter option is written by the Portfolio the premium received by the Portfolio will be reflected as a deferred credit which will be valued at an amount equal to the value of the clearing corporation option or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Portfolio; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in a manner listed above for listed securities in paragraph (4) above;
6. the value of any standardized futures contract or forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the standardized futures contract or forward contract, as applicable, on the Valuation Date, unless "daily limits" are in effect, in which case fair market value shall be based on the value of the underlying interest on the Valuation Date as determined in a manner by the Manager in its discretion;
7. the value of any restricted security shall be determined based on the discretion of the Manager, such that it is fair and reasonable and in accordance with the valuation policy set out by the Manager; and
8. the value of any security or other asset for which a market quotation is not readily available, will be its fair value on that day determined in such manner as the Manager deems to be appropriate.

For the purpose of any conversion of monies from any other currency to Canadian currency, the current rate of exchange as quoted to the Portfolio by its bankers as nearly as practicable at the time as of which the net asset value is being computed shall be used.

The Manager has not exercised its discretion to deviate from the valuation principles described above in the last three years.

The Manager will deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time, for example, if trading in a security was halted because of significant negative news about a company.

In accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure* ("NI 81-106"), the fair value of a portfolio security used to determine the daily price of the Portfolio's securities for purchases and redemptions by investors will be based on the Portfolio's valuation principles set out above under the heading "Valuation of Portfolio Securities and Liabilities", which comply with the requirements of NI 81-106 but differ in some respects from the requirements of International Financial Reporting Standards ("IFRS"), which are used for financial reporting purposes only.

The interim financial reports and annual financial statements of the Portfolio (the "Financial Statements") are required to be prepared in compliance with IFRS. The Portfolio's accounting policies for measuring the fair value of their investments (including derivatives) are identical to those used in measuring its net asset value for transactions with unitholders, except as disclosed below.

The fair value of the Portfolio's investments (including derivatives) is the price that would be received to sell an asset, or the price that would be paid to transfer a liability, in an orderly transaction between market participants as at the date of the Financial Statements (the "Reporting Date"). The fair value of the Portfolio's financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the Reporting Date (the "Close Price").

In contrast, for IFRS purposes, the Portfolio uses the close price for both financial assets and liabilities where that price falls within that day's bid-ask spread. If a Close Price does not fall within the bid-ask spread, the Close Price will then be adjusted by the Manager, to a point within the bid-ask spread that, in the Manager's view, is most representative of fair value based on specific facts and circumstances.

As a result of this potential adjustment, the fair value of the financial assets and liabilities of the Portfolio determined under IFRS may differ from the values used to calculate the net asset value of the Portfolio.

The Notes to the Financial Statements of the Portfolios will include a reconciliation of the differences between the net asset value calculated based on IFRS and NI 81-106.

HOW TO PURCHASE AND SELL UNITS OF THE PORTFOLIOS

How to Purchase Units

Units of the Portfolios are offered for sale on a continuous basis at their NAV per unit from time to time, computed in the manner described under *How the Units are Valued*. There are generally no sales commissions or other fees payable on the purchase of units. Series A units and Series T units of the Portfolios may be purchased directly from Scotia Securities Inc. and ScotiaMcLeod® and Scotia iTRADE®, each a division of Scotia Capital Inc., in such provinces

and territories where Scotia Securities Inc., ScotiaMcLeod and Scotia iTRADE are qualified to receive orders for purchase or with dealers and brokers qualified in your province or territory. Series A units and Series T units are available to all investors. Series T units are intended for investors seeking stable monthly distributions. Orders to purchase units of the Portfolios may also be placed with representatives of Scotia Securities Inc. at branches of Scotiabank.

All orders for units of a Portfolio will be forwarded to the Portfolio for acceptance or rejection and the Portfolio reserves the right to reject any order in whole or in part. Dealers and brokers must transmit an order for units to the head office of a Portfolio and must make such transmittal wherever practical by courier, priority post or telecommunications facility without charge to you on the same day your completed purchase order is received. As a security policy (which may be changed at the discretion of the Manager) the Portfolios, except as provided below, generally will not accept purchase orders placed by telephone or wire directly by an investor. The decision to accept or reject your purchase order will be made promptly and, in any event, within one business day of receipt of your order by the Portfolio. Telephone orders and Internet orders may be placed with Scotia Securities Inc. representatives at branches or call centres of the Scotiabank Group. Speak to your registered investment professional for details. If your order is rejected, all monies received with your rejected order will be returned to you immediately.

The minimum investment amount for initial purchases of any series of units of the Portfolios is \$50,000 and for subsequent purchases it is \$100.

The minimum investment amounts may be varied or waived at any time without notice at the absolute discretion of the Manager. The Manager reserves the right to terminate your account with a Portfolio if the net asset value of your investment in the Portfolio falls below the applicable minimum investment amount for an initial purchase. Your dealer or broker may impose higher minimum initial or additional investment amounts.

The NAV per unit for the purpose of issuing units is the NAV per unit next determined following receipt of a purchase order. No unit certificates will be issued by the Portfolios.

Payment for all orders of units must be received at the head office of the Portfolios on or before the third business day from (but not including) the day the subscription price for the units is determined. Where payment of the subscription price is not received, a Portfolio is deemed to have received and accepted on the first business day following such period an order for redemption of the units and the redemption proceeds are applied to reduce the amount owing to the Portfolio in respect of the purchase of the units. If the amount of the redemption proceeds exceeds the subscription price of the units, the Portfolio is permitted to retain the excess. If the amount of the redemption proceeds is less than the issue price of the units, Scotia Securities Inc., as principal distributor of units of the Portfolios, must pay to the Portfolio the amount of the deficiency. Scotia Securities Inc. is entitled to collect such amounts together with its costs, charges and expenses in so doing and interest thereon from dealers or brokers making the order for units. Those dealers or brokers may, in turn, collect such amounts from the investor who failed to pay the subscription price. Where no other dealers or brokers have been involved in an order for units, Scotia Securities Inc. is entitled to collect such amounts described above from the investor who has failed to make payment for the units ordered.

Other than the short-term trading fee described below, the Portfolios do not charge for redemptions, but reserve the right to impose redemption fees from time to time, upon providing unitholders 60 days' written notice of the amount and particulars of such fee.

Sales Charges

Series A and Series T units of the Portfolios are “no load”. That means you do not pay a sales commission when you buy, switch or sell these units through us or our affiliates.

Trailing Commissions and Sales Incentive Programs

The Manager may pay Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE employees or other registered brokers and dealers a trailing commission on Series A and Series T units of the Portfolios. This fee is calculated daily and paid monthly and, subject to certain conditions, is based on the value of the Series A and Series T units held by clients of a broker or dealer. See *Dealer compensation* in the Portfolios' simplified prospectus for details about trailing commissions and sales incentive programs.

In addition, Scotiabank may also include sales of units of the Portfolios in its general employee incentive programs which involve many different Scotiabank products.

How to Switch Portfolios

You can switch from one Portfolio to another Portfolio as long as you are eligible to hold the particular series of the Portfolio into which you switch. When your order is received, the units of the first Portfolio are sold, and the proceeds are used to buy units of the second Portfolio. If you switch units within 31 days of buying them, you may have to pay a short-term trading fee.

Switches from a series of units of another ScotiaFund purchased under the deferred sales charge option or low load sales charge option to Series A or Series T units of the Portfolios may be subject to a redemption fee. You may only switch between Portfolios valued in the same currency. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable.

How to Reclassify Units

You can reclassify your units of one series to another series of units of the same Portfolio, as long as you are eligible to hold that series. Your dealer may charge you a fee to reclassify your units.

How to Sell Units

You may at any time sell your units back to a Portfolio by following the procedures described in the following section, unless at that time the Portfolio's obligation to purchase your units has been temporarily suspended by the Portfolio with, where necessary, the prior consent of the Ontario Securities Commission. Your request to have a Portfolio buy back your units constitutes a “redemption” by the Portfolio when completed and may be referred to in this annual information form as a “sell order” to the Portfolio. The redemption price for the units which are

the subject of your sell order will be the NAV per unit next determined following receipt of your sell order by the Portfolio. Payment for your units sold will be issued by cheque within three business days after receipt by the Portfolio of your sell order. **The Manager cannot accept sell orders specifying a forward date or price, and sell orders will not be implemented before the Manager has actually received payment for units issued to you under a prior purchase order.**

Short-term trading (including “market-timing” trading) can increase a Portfolio’s expenses, which affects all unitholders of the Portfolio. The Manager has systems in place to monitor for short-term trades. These systems have the capability to detect and mark any redemption or switching that occurs within 31 days of the purchase of the relevant units. If it is determined that a redemption or switch constitutes a short-term trade, the Portfolio will charge a fee of 2% of the amount redeemed or switched. This short-term trading fee is retained by the Portfolio. While the fee will generally be paid out of the redemption proceeds of the Portfolio in question, the Manager has the right to redeem units of other Portfolios in your account without notice to you to pay for the short-term trading fee. The Manager may, in its sole discretion, decide which units should be redeemed and the manner in which to do so. The Manager may waive the fee in certain circumstances and in its sole discretion.

The short-term trading fee does not apply to: (i) transactions that do not exceed a certain minimum dollar amount, as determined by the Manager from time to time; (ii) trade corrections or any other action initiated by the Manager or the applicable portfolio advisor; (iii) transfers of units of one Portfolio between two accounts belonging to the same unitholder; (iv) regularly scheduled registered retirement income fund (“RRIF”) or life income fund (“LIF”) payments; (v) regularly scheduled Automatic Withdrawal Plan payments; and (vi) reclassifying units from one series to another series of the same Portfolio.

The Manager may cause the redemption of all outstanding units of a Portfolio held by a unitholder after giving 10 days’ written notice if the aggregate net asset value of such units in a Portfolio declines below the minimum initial purchase amounts described under *How to Purchase Units*.

How to Submit a Sell Order

The following is a summary of the procedure that you must follow when submitting a sell order. The Manager, however, may from time to time adopt additional permissible procedures and, if so, will advise all unitholders of such procedures.

Your sell order must be in writing and bear an authorized signature from your bank, trust company or registered dealer or broker and such other evidence of proper authority as a Portfolio may reasonably require. Any sell order by a corporation, trust, partnership, agent, fiduciary, surviving joint owner or estate must be accompanied by customary documentation evidencing the signatory’s authority. Sell orders are effective only when all documentation is in order and received by the head office of a Portfolio. Any of these requirements may be waived at any time without notice in the absolute discretion of the Manager. Your sell order may be submitted to Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE in such provinces and territories where Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE are qualified to sell units of the

Portfolios. Sell orders may also be submitted to your registered dealer or broker. Dealers and brokers must transmit the particulars of a sell order to a Portfolio on the same day it is received at no charge to the investor and to make such transmittal wherever practical by courier, priority post or telecommunications facility. As a security policy (which may be changed at the discretion of the Manager), the Portfolios will generally not accept sell orders placed by telephone, wire or by other electronic means directly from unitholders.

If a unitholder fails to provide a Portfolio with a duly completed sell order within ten business days of the date on which the net asset value was determined for purposes of the sell order, the Portfolio is deemed to have received and accepted, as of the close of business on the tenth business day, an order for the purchase of the equivalent number of units being redeemed and will apply the amount of the redemption proceeds to the payment of the issue price of such units. If such amount is less than the redemption proceeds, the Portfolio is permitted to retain the excess. If such amount exceeds the redemption proceeds, Scotia Securities Inc., as principal distributor of units of the Portfolios, must pay the applicable Portfolio the amount of the deficiency. Scotia Securities Inc. is entitled to collect such amount together with its costs and interest thereon from dealers or brokers placing the redemption order and those dealers or brokers may collect such amounts from the investor who failed to provide the duly completed sell order. Where no other dealers or brokers have been involved in a redemption order, Scotia Securities Inc. is entitled to collect such amounts described above directly from the investor who failed to provide the duly completed sell order.

All sell orders will be processed in the order in which they are received. Sell orders involving transfers to or from Registered Plans (defined below) may incur delays if the transfer documents are not completed in the sequence prescribed by Canada Revenue Agency, and release of the sale proceeds cannot be made by a Portfolio until all administrative procedures involved with such Registered Plans are complete.

INVESTMENT OPTIONS

For a description of the various investment options available, please see the simplified prospectus of the Portfolios. Some further details are included below:

Pre-Authorized Contributions

You can set up regular pre-authorized contributions for any of the Series A units of the Portfolios held by you provided that you meet the minimum investment amounts indicated under *How to Purchase Units*. You select the frequency of your purchases, which may be weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually, by pre-authorizing payments from your bank account at Scotiabank or any other major Canadian financial institution.

You may change the amount of each purchase or the frequency of purchase or you may discontinue the plan at any time without penalty by contacting your mutual fund representative. Forms used to begin pre-authorized contributions can be obtained when you place your order with your dealer or broker. Similar automatic investment plans for Series A units of the Portfolios may be available through ScotiaMcLeod and other dealers.

Pre-authorized contribution plans and automatic withdrawal plans which were established prior to any Portfolio merger will be re-established in comparable plans with respect to the applicable continuing Portfolios unless a unitholder advises otherwise.

The Portfolios have received exemptive relief from securities regulatory authorities from certain requirements in securities legislation to deliver Fund Facts to investors that make subsequent purchases of securities of the Portfolios under a pre-authorized investment plan or a similar contribution plan, subject to the conditions of an exemption order dated June 11, 2014. Participants in a pre-authorized investment plan or a similar contribution plan will not be sent a copy of any Fund Facts unless they request that it be sent at the time they enroll in the plan or subsequently request it from their broker or dealer. This exemption does not apply to investors resident in Québec. For more information, refer to *Pre-authorized contributions* in the Portfolios' simplified prospectus.

Registered Plans

You may open a Scotia registered retirement savings plan ("RRSP"), RRIF, life income retirement account, locked-in retirement savings plan, LIF, locked-in retirement income fund, prescribed retirement income fund, tax-free savings account ("TFSA") or registered education savings plan (collectively, together with a deferred profit sharing plan and a registered disability savings plan, "Registered Plans") for units of the Portfolios. Minimum initial and subsequent deposits for a Scotia Registered Plan are the same as those set out under *How to Purchase Units*. These minimum deposits may be varied or waived at any time, without notice, in the discretion of the Manager. Units of the Portfolios may also be held in a self-directed RRSP or RRIF (or other Registered Plans) with any other financial institution as may be approved by the Manager, but such plans may be subject to fees.

You may open a Scotia Registered Plan (or other similar plans that may be offered by the Manager or Scotia Securities Inc.) by completing an application form and declaration of trust which you may obtain directly from Scotia Securities Inc. or from the offices of a participating dealer appointed by the Manager or Scotia Securities Inc. in certain provinces and territories.

You are urged to consult your own tax advisor for full particulars of the tax implications of establishing, amending and terminating Registered Plans under the *Income Tax Act* (Canada) (the "Tax Act") and applicable provincial tax laws. It is your responsibility as an annuitant or holder of a Registered Plan to determine the consequences to you under relevant income tax laws. The Portfolios assume no liability as a result of Scotia Registered Plans being made available.

Automatic Withdrawal Plan

Series A unitholders may establish an automatic withdrawal plan under which sufficient units of a Portfolio will be redeemed on a periodic basis in order to provide these unitholders with regular cash payments. To establish and maintain an automatic withdrawal plan for the Series A units, you must have a minimum initial balance of \$50,000 to start the plan and you must withdraw a minimum of \$50 each time.

See *How to Purchase Units* to determine the minimum investment amounts. The minimum for each withdrawal under the plan is \$50. The minimum initial investment amount and withdrawal amount may be varied or waived at any time without notice in the absolute discretion of the Manager.

You may amend or terminate your automatic withdrawal plan without charge upon written notice to the Manager. The amendment or termination will be effective within 30 days of receipt of that notice.

Under a withdrawal plan, if the regular withdrawals are in excess of income and capital gains distributions, these withdrawals will encroach on or exhaust the capital you have invested. Automatic withdrawal plans are not available for Registered Plans.

You may realize tax consequences on any redemption or other transfer of units. See *Income Tax Considerations for Investors*.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section is a general, but not an exhaustive, summary of how investments in the Portfolios are taxed under the Tax Act. It applies to investors (other than trusts) who are residents of Canada, deal with the Portfolios at arm's length and hold their units as capital property. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and the published administrative practices and assessing policies of the Canada Revenue Agency. It has been assumed that the Tax Proposals will be enacted as proposed; however, no assurance can be given in this respect.

This summary does not otherwise take into account or anticipate any change in law or administrative practice, whether by legislative, regulatory, administrative or judicial action. In addition, it does not take into account provincial, territorial, or foreign tax considerations. This summary assumes that each Portfolio will qualify as a "mutual fund trust" within the meaning of the Tax Act at all material times. If the Portfolio were not to qualify as a mutual fund trust, the income tax considerations as described below would in some respects be materially different. See *Non-Qualification of a Mutual Fund Trust*.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Accordingly, prospective investors should consult their own tax advisors about their particular circumstances

Taxation of the Portfolios

Each Portfolio will pay or make payable to unitholders sufficient net income and net realized capital gains in respect of each taxation year so that the Portfolio will not be liable for income tax under Part I of the Tax Act (after taking into account any applicable losses and any capital gains refund to which the Portfolio is entitled).

The “suspended loss” rules in the Tax Act may prevent a Portfolio from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of net realized capital gains of the Portfolio to be paid to investors.

Each Portfolio is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act. As a consequence, each Portfolio may realize income or capital gains by virtue of changes in the value of a foreign currency relative to the Canadian dollar. Also, where a Portfolio accepts subscriptions or makes payments for redemptions or distributions in foreign currency, it may experience a foreign exchange gain or loss between the date the order is accepted or the distribution is calculated and the date the Portfolio receives or makes payment.

Generally, each Portfolio will include gains and deduct losses on income account in connection with its derivative activities and any transactions in commodities, and will recognize such gains or losses for tax purposes at the time they are realized by the Portfolio.

If a Portfolio experiences a “loss restriction event” and does not qualify as an “investment fund” for the purposes of the tax loss restriction rules in the Tax Act, the Portfolio (i) will be deemed to have a year-end for tax purposes (which, if the Portfolio has not distributed sufficient net income and net realized capital gains, if any, for such taxation year, would result in the Portfolio being liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward non-capital losses. Generally, the Portfolio would be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Portfolio, as those terms are defined in the Tax Act. Generally, a person would be a majority-interest beneficiary of the Portfolio if it, together with persons with whom it is affiliated, owns more than 50% of the fair market value of the Portfolio’s outstanding units.

All of a Portfolio’s revenues, deductible expenses (including expenses common to all series of the Portfolio and management fees, performance fees and other expenses specific to a particular series of a Portfolio), capital gains and capital losses will be taken into account in determining the income or losses of the Portfolio as a whole. Losses incurred by a Portfolio cannot be allocated to investors but may, subject to certain limitations, be deducted by the Portfolio from capital gains or other income realized in other years.

Non-Qualification of a Mutual Fund Trust

A Portfolio may not qualify as a “mutual fund trust” under the Tax Act. If a Portfolio does not qualify as a “mutual fund trust”, the Portfolio could be subject to tax under Part XII.2 of the Tax Act. Part XII.2 of the Tax Act provides that certain trusts (excluding mutual fund trusts) that have a unitholder who is a “designated beneficiary” will be subject to a special tax at the rate of 36% on the trust’s “designated income”. A designated beneficiary includes a non-resident person. “Designated income” generally includes income from a business carried on in Canada and taxable capital gains from dispositions of “taxable Canadian property”. If a Portfolio is subject to tax under Part XII.2, unitholders who are not designated beneficiaries may be entitled

to a refund of a portion of the Part XII.2 tax paid by the Portfolio, provided that the Portfolio makes the appropriate designation. If a Portfolio does not qualify as a mutual fund trust for purposes of the Tax Act, it may be subject to alternative minimum tax under the Tax Act. As well, a Portfolio will not be entitled to claim the capital gains refund that would otherwise be available to it if it were a mutual fund trust throughout the year. A Portfolio that does not qualify as a mutual fund trust will be a “financial institution” for purposes of the “mark-to-market” rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Portfolio are held at that time by one or more financial institutions. The Tax Act contains special rules for determining the income of a financial institution. If a Portfolio is not a mutual fund trust and is a registered investment, the Portfolio may be liable for tax under Part X.2 of the Tax Act if, at the end of any month, the Portfolio holds property that is not a “qualified investment” for the type of Registered Plan in respect of which the Portfolio is registered.

Taxation of Unitholders

Taxable Unitholders of the Portfolio

Unitholders are required to compute their net income and net realized capital gains in Canadian dollars for purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar relative to the value of the Canadian dollar in connection with U.S. dollar denominated securities of a Portfolio purchased in U.S. dollars.

Upon the actual or deemed disposition of a unit of a Portfolio, including on the redemption of a unit by a Portfolio and on a switch between Portfolios (but not a reclassification of units among series of a Portfolio), a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the unit of the Portfolio exceed (or are exceeded by) the aggregate adjusted cost base to the unitholder of the unit and any reasonable costs of disposition. Unitholders of a Portfolio must calculate the adjusted cost base separately for units of each series of a Portfolio. One-half of a capital gain is included in computing income as a taxable capital gain and one-half of a capital loss is an allowable capital loss which is deducted against taxable capital gains for the year. Generally, any excess of allowable capital losses over taxable capital gains of the unitholder for the year may be carried back up to three years or forward indefinitely and deducted against taxable capital gains in those other years.

A unitholder that is a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on its “aggregate investment income” for the year.

If a unitholder disposes of units of a Portfolio and the unitholder, the unitholder’s spouse or another person affiliated with the unitholder (including a corporation controlled by the unitholder) has acquired units of the same Portfolio within 30 days before or after the unitholder disposes of the unitholder’s units (such newly acquired units being considered “substituted property”), the unitholder’s capital loss may be deemed to be a “superficial loss”. If so, the unitholder’s loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the units which are “substituted property”.

Unitholders that are individuals may be liable for alternative minimum tax in respect of Canadian source dividends and capital gains realized by, or distributed to, the unitholder.

Distributions

Unitholders must include in computing their income for the year the amount of net income and the taxable portion of net realized capital gains that are paid or payable to them (including Management Fee Distributions) by a Portfolio, whether or not such amounts are reinvested in additional units of the Portfolio.

To the extent that distributions (including Management Fee Distributions) to a unitholder by a Portfolio in any year exceed the unitholder's share of net income and net realized capital gains of the Portfolio for the year, such excess distributions (except to the extent that they are proceeds of disposition) will not be taxable in the hands of the unitholder but will reduce the adjusted cost base of the unitholder's units of the Portfolio. To the extent that the adjusted cost base of a unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder in the year and the unitholder's adjusted cost base of such unit will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by the Portfolio, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian corporations of the Portfolio that are paid or payable to a unitholder (including such amounts invested in additional units) will effectively retain their character for tax purposes and be treated as foreign source income, taxable capital gains and taxable dividends earned directly by the unitholder. Foreign source income received by the Portfolio will generally be net of any taxes withheld in the foreign jurisdictions. The taxes so withheld will be included in the determination of the Portfolio's income. To the extent that the Portfolio so designates, the unitholder will be deemed to have paid its proportionate share of such taxes.

In the case of unitholders of a Portfolio that are corporations, amounts designated as taxable dividends will be included in computing income but generally will also be deductible in computing taxable income. A "private corporation" which is entitled to deduct taxable dividends in computing taxable income will normally be subject to the refundable tax under Part IV of the Tax Act. Certain other corporations that are controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) are also subject to the refundable tax under Part IV of the Tax Act. Corporations, other than private corporations, should consult their own tax advisors as to the possible application of tax under Part IV.1 of the Tax Act.

Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the normal gross-up and dividend tax credit rules under the Tax Act. An "eligible dividend" will be entitled to an enhanced gross-up and dividend tax credit. To the extent possible, the Portfolio will pass on to unitholders the benefit of the enhanced dividend tax credit with respect to any eligible dividends received, or deemed to be received, by the Portfolio to the extent that such dividends are included in distributions to unitholders.

Reclassifications

The reclassification of units of a particular series of a Portfolio as units of another series of the same Portfolio will not be considered to be a disposition for tax purposes and accordingly, a unitholder will realize neither a gain nor a loss as a result of a reclassification. The cost of the acquired units will be averaged with the adjusted cost base of identical units of such series owned by the unitholder.

The redemption of units by a Portfolio in order to satisfy the amount of the applicable deferred sales charge payable by a unitholder will be a disposition of such units by the unitholder and will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of such units exceed (or is exceeded by) the aggregate of the adjusted cost bases of such units and any reasonable costs of disposition.

Non-Taxable Unitholders of the Portfolios

In general, distributions paid or payable by a Portfolio to Registered Plans and capital gains realized by Registered Plans on a disposition of units of a Portfolio, will not be taxable under the Tax Act. Withdrawals from Registered Plans (other than TFSAs) may be subject to tax.

Eligibility for Registered Plans

Provided that each Portfolio is either a “registered investment” or a “mutual fund trust” within the meaning of those terms in the Tax Act at all material times, units of each Portfolio issued hereunder will be qualified investments for Registered Plans. See *Income tax considerations for investors – Units held in a non-registered account* in the applicable simplified prospectus of the Portfolios for additional information.

Provided that the annuitant or holder of a RRSP, RRIF or TFSA (i) deals at arm’s length with the Portfolio, and (ii) does not hold a “significant interest” (as defined in the Tax Act) in the Portfolio, the units of the Portfolio will not be a prohibited investment for a RRSP, RRIF or TFSA.

Investors should consult with their tax advisors regarding whether an investment in a Portfolio will be a prohibited investment for their RRSP, RRIF or TFSA.

U.S. Foreign Account Tax Compliance Act of 2009 (“FATCA”)

Pursuant to FATCA and the Canada-U.S. Intergovernmental Agreement (“**Canada-U.S. IGA**”) and its implementing provisions under the Tax Act, the Portfolios are required to report information relating to certain unitholder’s investment in the Portfolios to the Canada Revenue Agency unless the securities are held in certain tax deferred plans. Generally, the Portfolio will be required to report information on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as U.S. citizens (including U.S. citizens living in Canada) or U.S. residents owning, directly or indirectly, an interest in the Portfolio, to the Canada Revenue Agency. The Canada Revenue Agency will in turn provide such information to the U.S. Internal Revenue Service.

The Portfolios will endeavor to comply with the requirements imposed under the Canada-U.S. IGA and its implementing provision under the Tax Act. However, if the Portfolios cannot satisfy the applicable requirements under the Canada-U.S. IGA or its implementing provision of the Tax Act and are unable to comply with the requirements under FATCA, the Portfolios may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross proceeds. The Portfolios may also be subject to the penalty provisions of the Tax Act. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the Portfolios' net asset value.

HOW THE PORTFOLIOS ARE MANAGED AND ADMINISTERED

The Manager

The Manager acts as the manager of the Portfolios pursuant to a master management agreement dated February 14, 2005, as amended and restated on April 23, 2007, as amended and restated on May 18, 2012, as amended on November 19, 2012 and July 11, 2013, as amended and restated on January 15, 2014, and as amended on May 12, 2014 and May 14, 2014, as amended and restated March 2, 2015 as amended on April 6, 2015, June 1, 2015 and July 3, 2015, as amended and restated August 20, 2015 and as further amended on November 9, 2015 (the "Master Management Agreement").

Pursuant to the Master Management Agreement, the Manager is required to provide, or cause to be provided, portfolio management to the Portfolios, including all decisions as to the purchase and sale of portfolio securities and as to the execution of all portfolio transactions, and all necessary or advisable administrative services and facilities including valuation, fund accounting and unitholder records. The Master Management Agreement provides that the Manager may engage or employ any person as its agent to perform administrative functions on behalf of the Portfolios, and brokers or dealers in connection with the portfolio transactions of the Portfolios.

The Master Management Agreement may only be assigned upon consent of the other party and in compliance with the provisions of the Master Declaration of Trust and all applicable laws, regulations and other restrictions of regulatory authorities in Canada. No changes to the Master Management Agreement may be made without the approval of unitholders where required by applicable securities laws. Where applicable securities laws do not require unitholder approval, the provisions of the Master Management Agreement may be amended with the approval of the trustee and the Manager.

The Manager receives, pursuant to the Master Management Agreement, management fees and administration fees from the Portfolios in respect of certain series of units, as described in the simplified prospectus of the Portfolios.

In order to encourage very large investments in a Fund and to achieve effective management fees that are competitive for these large investments, the Manager may agree to waive a portion of the management fee that it would otherwise be entitled to receive from a Fund or a unitholder with respect to a unitholder's investment in the Fund. An amount equal to the amount so waived may be distributed to such unitholder by the Fund or the Manager, as

applicable (called a “Management Fee Distribution”). In this way, the cost of Management Fee Distributions is effectively borne by the Manager, not the Funds or the unitholder as the Funds or the unitholder, as applicable, are paying a discounted management fee. Management Fee Distributions are calculated and credited to the relevant unitholder on each business day and distributed on a monthly basis, first out of net income and net taxable capital gains of the relevant Funds and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional securities of the relevant series of a Fund. The payment of Management Fee Distributions by the Fund or the Manager, as applicable, to a unitholder in respect of a large investment is fully negotiable between the Manager, as agent for the Fund, and the unitholder’s mutual fund representative or broker or dealer, and is primarily based on the size of the investment in the Fund. The Manager will confirm in writing to the unitholder’s mutual fund representative or broker or dealer the details of any Management Fee Distribution arrangement.

For additional information concerning the management of the Portfolios, you should refer to *How the Portfolios are Managed and Administered – The Manager* in this annual information form.

Directors and Executive Officers of the General Partner of the Manager.

The Board of Directors of 1832 Asset Management G.P. Inc. (the “General Partner”), the general partner of the Manager, currently consists of nine members.

The names and municipalities of residence of the directors and executive officers of the General Partner of the Manager, their principal occupations over the past five years, and the positions and offices held with the General Partner are as follows:

Name and Municipality of Residence	Positions Held with the General Partner	Principal Occupation
Jordy W. Chilcott Oakville, Ontario	Chairman of the Board, Co-President and Director	Co-President, the Manager Managing Director & Head, Global Asset Management – Retail & Wealth Mexico, Scotiabank
Robin Lacey, Toronto, Ontario	Co-President and Director	Co-President, the Manager Managing Director & Head, Global Institutional Asset Management, Scotiabank
Michel Martil Claremont, Ontario	Chief Financial Officer	Chief Financial Officer, the Manager Director & Head, Global Asset Management Finance, Scotiabank
Alain Benedetti Saint Anne des Lacs, Quebec	Director	Corporate Director
Glen Gowland Brampton, Ontario	Director	Managing Director & Head, Canadian Wealth Management Advisory, Scotia Capital Inc.
Marian Lawson Toronto, Ontario	Director	Executive Vice President, Global Financial Institutions and Transaction Banking, Scotiabank

Name and Municipality of Residence	Positions Held with the General Partner	Principal Occupation
Russell Morgan Mississauga, Ontario	Director	Corporate Director
Jim Morris Caledon, Ontario	Director	Chief Operating Officer, the Manager
Abdurrehman Muhammadi Mississauga, Ontario	Director	Vice President and Chief Financial Officer, Global Wealth Management, Scotiabank
John Pereira Richmond Hill, Ontario	Director	Senior Vice President, Operations & Technology, Global Wealth Management, Scotiabank
Roxana Tavana Toronto, Ontario	Vice President, Legal and Secretary	Vice President and Associate General Counsel, Legal, Global Asset Management, Scotiabank
Simon Mielniczuk Toronto, Ontario	Assistant Secretary	Senior Manager, Legal Services, Global Asset Management, Scotiabank

During the past five years, all of the directors and executive officers of the General Partner have held their present principal occupations (or similar positions with their current employer or its affiliates) except for Mr. Lacey who prior to March 2013 was Managing Director, Head of Relationship Management with TD Asset Management Inc. and Vice Chair at The Toronto-Dominion Bank.

Executive Officers of the Manager

The names and municipalities of residence of the executive officers of the Manager, their principal occupations over the past five years, and the positions and offices held with the Manager are as follows:

Name and Municipality of Residence	Positions Held with the Manager	Principal Occupation
Jordy W. Chilcott Oakville, Ontario	Co-President	Co-President, the Manager Managing Director & Head, Global Asset Management – Retail & Wealth Mexico, Scotiabank
Robin Lacey Toronto, Ontario	Co-President	Co-President, the Manager Managing Director & Head, Global Institutional Asset Management, Scotiabank
Michel Martil Claremont, Ontario	Chief Financial Officer	Chief Financial Officer, the Manager Director & Head, Global Asset Management Finance, Scotiabank
Bruno Carchidi Toronto, Ontario	Chief Compliance Officer, Fund Manager/Portfolio Management	Chief Compliance Officer, Fund Manager/Portfolio Management, the Manager Vice President, Compliance, Scotiabank
Edna A. Chu Toronto, Ontario	Chief Compliance Officer, Portfolio Manager, Institutional	Chief Compliance Officer, Portfolio Manager, Institutional, the Manager Vice President, Compliance & Director, Scotia Securities Inc.
M. Catherine Tuckwell Toronto, Ontario	Chief Compliance Officer, Portfolio Manager, Private Client	Chief Compliance Officer, Portfolio Manager, Private Client, the Manager
Roxana Tavana Toronto, Ontario	Vice President, Legal and Secretary	Vice President and Associate General Counsel, Legal, Global Asset Management, Scotiabank
Simon Mielniczuk Toronto, Ontario	Assistant Secretary	Senior Manager, Legal Services, Global Asset Management, Scotiabank

During the past five years, all of the executive officers of the Manager have held their present principal occupations (or similar positions with the current employer or its affiliates) except for Mr. Lacey who prior to March 2013 was Managing Director, Head of Relationship Management with TD Asset Management Inc. and Vice Chair at The Toronto-Dominion Bank.

The Portfolio Advisor

The Manager is the portfolio advisor to the Portfolios. The individual at the Manager providing advice is as follows:

Portfolio Manager	Current Title	Length of Service with portfolio advisor (or an affiliated entity)	Principal occupation in the last 5 years
Judith Chan	Director, Portfolio Solutions – Scotia Asset Management	10 years	From September 2012 to present - Director, Portfolio Solutions, the Manager From November 2008 to September 2012 – Senior Manager, Investment Oversight, the Manager

The investment decisions of the individual portfolio advisor listed above are subject to the oversight, approval or ratification of a committee of the Manager.

Portfolio Governance

The Manager is responsible for the day-to-day administration and management of the Portfolios. The Manager is the portfolio advisor of the Portfolios and may retain portfolio sub-advisors for the Portfolios. If portfolio sub-advisors are appointed, the Manager will receive regular reports from its portfolio sub-advisors regarding their compliance with applicable investment guidelines and parameters and compliance with the investment restrictions and practices of the Portfolios.

The Manager has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Portfolios including, as required by NI 81-107, policies and procedures relating to conflicts of interest. The Manager has adopted a mutual fund sales practice policy that complies with National Instrument 81-105 – *Mutual Fund Sales Practices*. The Manager has also adopted a Personal Trading Policy for employees that addresses potential internal conflicts of interest in respect of the Portfolios. In addition, the Manager has adopted the Scotiabank Guidelines for Business Conduct, which also addresses the issue of internal conflicts.

Risk management is dealt with on a number of levels. The Portfolios must comply with the investment restrictions and practices outlined in applicable securities legislation, including NI 81-102, subject to any exemption granted by securities regulatory authorities. The Manager has established policies and guidelines relating to business practices, risk management controls and conflicts of interest. In addition, the Manager has its own code of ethics that addresses such things as personal trading by employees. Various measures to assess risk are used, including mark-to-market security valuation, fair value pricing, effective exposure reporting, and monthly reconciliation of security and cash positions. Compliance monitoring of the portfolio assets of

the Portfolios is ongoing. The Portfolios are generally priced on each business day, so that performance reflects market movements.

Independent Review Committee

The Manager has established the IRC in accordance with NI 81-107 in order to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the Portfolios. The IRC is responsible for overseeing the Manager's decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107. The IRC may also approve certain mergers between the Portfolios and other funds, and any change of the auditor of the Portfolios. Subject to any corporate and securities law requirements, no unitholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, unitholder approval may be required to approve certain mergers.

The IRC currently consists of five members, each of whom is independent of the Manager, and currently are Carol S. Perry (Chair), Robert S. Bell, Brahm Gelfand, Simon Hitzig and D. Murray Paton.

The IRC prepares at least annually a report for unitholders that discusses the IRC and its activities, which is available on the Manager's website or, at no cost, by contacting the Manager.

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Portfolios as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. The main components of compensation are an annual retainer and a fee for each committee meeting attended. The chair of the IRC is entitled to an additional fee. Expenses of the IRC may include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses. Please see *Remuneration of Trustee and Members of the IRC* for additional information.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Portfolios may enter into securities lending, repurchase and reverse repurchase transactions from time to time as discussed under *Investment Restrictions and Practices – Securities Lending, Repurchase and Reverse Repurchase Transactions* above.

Pursuant to the requirements of NI 81-102, the Manager intends to manage the risks associated with securities lending, repurchase and reverse repurchase transactions by requiring that each securities agreement be, at a minimum, secured by investment grade collateral with a value of at least 102% of the market value of the securities subject to the transaction. The amount of collateral will be adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with qualified borrowers. In addition, a Portfolio will not expose more than 10% of the total value of its assets with any one entity under these agreements. In the case of securities lending or repurchase transactions, the aggregate market value of all securities lent and sold by a Portfolio will not exceed more than 50% of the net asset value of that Portfolio immediately after the Portfolio enters into such a transaction.

Policies and procedures relating to any securities lending, repurchase and reverse repurchase transaction entered into on behalf of a Portfolio will be developed by the Manager and the Portfolio's custodian acting as its agent in administering the transaction. Such policies and procedures will set out (i) the objectives and goals for securities lending, repurchase transactions or reverse repurchase transactions and (ii) the risk management procedures, including limits and other controls on such transactions, applicable to the Portfolio.

The creditworthiness of each qualified borrower to a securities loan will be evaluated by the Manager. Any agreements, policies and procedures that are applicable to the Portfolio relating to securities lending will be reviewed and approved annually by senior management of the Manager.

Proxy Voting Policies and Procedures

The Manager has in place policies and procedures (the "Proxy Voting Policy") to ensure that proxies relating to securities held by a Portfolio are voted in the best interest of each Portfolio.

Where the Manager also acts as portfolio advisor for a Portfolio, it has retained the services of a third party consultant with expertise on proxy voting matters to provide proxy voting guidance. The Manager reviews each proxy, along with the recommendations made by the consultant with respect to proxy issues and may vote in accordance with such recommendations if appropriate and if consistent with its policies and procedures. Where proxies relate to relatively routine matters, such as the regular appointment of auditors and the election of directors, proxies are generally voted in accordance with management's recommendations. Where the proxy relates to non-routine matters, such as proposed mergers and reorganizations or a dissident slate of directors, these matters are brought to the attention of an appropriate senior officer of the Manager on a case by case basis for consideration and final approval.

The Proxy Voting Policy sets out a process to ensure that the Manager can resolve material conflicts of interest relating to proxy voting that may arise between a Portfolio and the Manager or its affiliates or individuals making proxy voting decisions. In the case where a material conflict of interest arises, the Proxy Voting Policy permits consulting and following the voting recommendation of a reputable independent proxy voting service provider.

Voting rights and fund of fund investments

The Portfolios invest in other underlying mutual funds, including mutual funds managed by us. If a unitholder meeting is called for an underlying fund that is managed by us, the Manager will not vote the units of the underlying mutual fund. The Manager may arrange for these securities to be voted by unitholders of the applicable fund. However, given the costs and complexity of doing so, the Manager may not arrange for a flow-through of voting rights.

Availability of Proxy Voting Information

The Proxy Voting Policy is available upon request and at no charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or by writing to the Manager at the address on the back cover of this annual information form.

The proxy voting record for each Portfolio for the most recent 12-month period ending June 30 of each year will be available upon request and at no cost at any time after August 31 of that year. The proxy voting record for each Portfolio will also be available on the ScotiaFunds website at www.scotiafunds.com.

Policies on the Use of Derivatives

All of the Portfolios may use derivatives as described in the simplified prospectus of the Portfolios. Any use of derivatives by a Portfolio is governed by the Manager's own policies and procedures which set out (i) the objectives and goals of derivatives trading and (ii) the risk management practices, including control policies and procedures, applicable to derivatives trading. These policies and procedures are prepared and reviewed annually by senior management of the Manager. The decision as to the use of derivatives, including the oversight of the limits and controls on derivatives trading, is made by senior portfolio managers of the Manager in accordance with our compliance procedures and risk control measures. Risk measurement procedures or simulations generally are used to test the investment portfolio of the Portfolios under stress conditions. The Portfolios may enter into over-the-counter bilateral derivative transactions with counterparties that are related to the Manager.

For further information about how the Portfolios use derivatives, refer to *Investment Restrictions and Practices - Derivatives* above and *About derivatives* in the Portfolios' simplified prospectus.

The Distributor

The unissued Series A units and Series T units offered by the simplified prospectus of the Portfolios are distributed by Scotia Securities Inc. pursuant to the Master Distributorship Agreement with effect for each Portfolio as of the date it was created.

Portfolio Transactions and Brokers

The Manager makes decisions as to the purchase and sale of securities and other assets of the Portfolios, as well as decisions regarding the execution of portfolio transactions of a Portfolio, including the selection of market and broker and negotiation of commissions. In effecting these portfolio transactions, the Manager may place brokerage business with numerous dealers and brokers on the basis of the best execution, which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction cost. The Manager has policies in place regarding broker selection and best execution and the selection of brokers.

The Manager uses the same criteria in selecting all of its dealers and brokers, regardless of whether the dealer or broker is an affiliate of us. In certain circumstances, the Manager receives goods or services from dealers or brokers in exchange for directing brokerage

transactions to such dealers or brokers. These types of goods and services include research goods and services and order execution goods and services.

The Manager currently has in place brokerage arrangements with its affiliate, Scotia Capital Inc. Scotia Capital Inc. may provide research goods and services, order execution goods and services and mixed-use goods and services in exchange for effecting brokerage transactions.

The Manager receives research goods and services, which include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. The research goods and services that we are provided in exchange for brokerage commissions include advice, analyses and reports that focus on, among other matters, specific stocks, sectors and economies.

The Manager also receives order execution goods and services, such as data analysis, software applications and data feeds. These goods and services may be provided by the executing dealer directly or by a party other than the executing dealer.

In certain instances, the Manager may receive goods and services containing some elements that qualify as research goods and services and/or order execution goods and services and other elements that do not qualify as either of such permitted goods and services. These types of goods and services are considered to be mixed-use goods and services. If the Manager obtains mixed-use goods and services, we only use brokerage commissions to pay for the portion that is used in our investment or trading decisions or in effecting securities transactions, each on behalf of the Portfolios or client accounts.

The Manager's investment management and trade execution teams decide which dealers or brokers are allocated brokerage business based on the competitiveness of the commission costs, their ability to provide best execution of trades and the range of services and quality of research received. The Manager may use research goods and services and order execution goods and services to benefit our Portfolios and clients other than those whose trades generated the brokerage commission. However, the Manager has policies and procedures in place such that over a reasonable period of time, all clients, including the Portfolios, receive fair and reasonable benefit in return for the commission generated.

The names of such dealer or third parties, who have provided research goods and services and/or order execution goods and services since the date of the previous annual information form of the Portfolios, are available upon request by calling us toll-free at 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or by email at fundinfo@scotiabank.com or by writing to us at the address on the back cover of this annual information form.

Custodian

Scotiabank acts as custodian of the portfolio securities of the Portfolios. The Portfolios pay all reasonable fees and expenses of Scotiabank for custodial services, including safekeeping and administrative services. The Custodian Agreement (as defined below) permits Scotiabank to appoint sub-custodians on the same terms and conditions it has with each of the Portfolios. As of

the date of this annual information form, The Bank of New York, New York, U.S.A., acts as principal sub-custodian of the Portfolios.

Changes to the Master Declaration of Trust

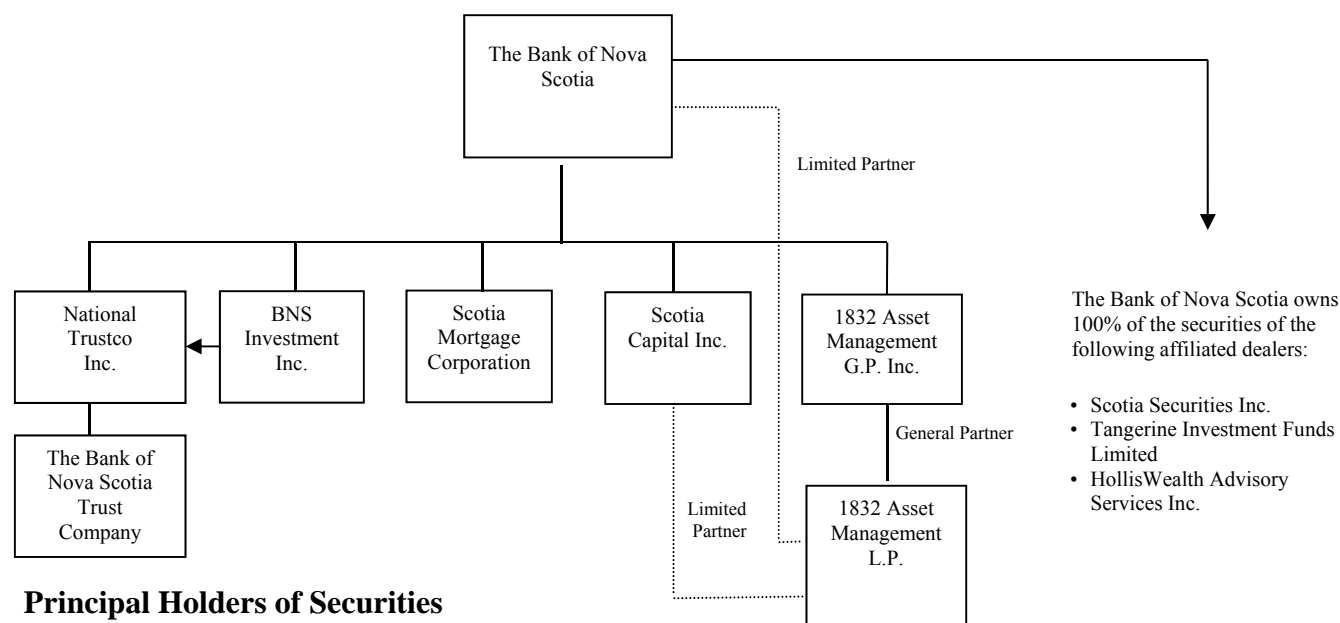
Certain amendments to the Master Declaration of Trust governing the Portfolios, such as a change in the fundamental investment objectives of a Portfolio, or any other change for which the approval of unitholders is required by securities regulatory authorities or pursuant to the Master Declaration of Trust, may not be made without the approval of a majority of votes cast at a meeting of unitholders duly called for that purpose. All other amendments to the Master Declaration of Trust may be made by the trustee of the Portfolios without unitholder approval.

Pursuant to the Master Declaration of Trust, where the trustee of the Portfolios resigns, is removed or is otherwise incapable of acting, a successor trustee can be appointed by the Manager of the Portfolio without the approval of the unitholders. If the Manager fails to appoint a new trustee for the Portfolios, provision is made in the Master Declaration of Trust for the unitholders to appoint a successor trustee.

Affiliated Entities

The only affiliated entities that provide services to the Portfolios and to the Manager in connection with the Portfolios are Scotiabank, Scotia Capital Inc., The Bank of Nova Scotia Trust Company and Scotia Securities Inc. The amount of fees received from a Portfolio by these entities each year is disclosed in the Portfolio's audited annual financial statements.

The following diagram shows the relationship between the Manager and these entities:



Principal Holders of Securities

As at November 2, 2015, Scotiabank owned all of the issued and outstanding shares of 1832 Asset Management G.P. Inc., which is the general partner of the Manager, and owned directly and indirectly 100% of the Manager.

As at October 21, 2015, no person or company owned beneficially, directly or indirectly, more than 10% of any series of a Portfolio.

As at November 2, 2015, the directors and officers of the General Partner and the senior officers of the Manager, in aggregate, did not beneficially own more than 10%, directly or indirectly, of any securities of any series of a Portfolio. As at November 2, 2015, the directors and officers of the General Partner and the senior officers of the Manager, did not own any securities of the Manager or a service provider to the Portfolios or the Manager, other than common shares and preferred shares of Scotiabank. Such holdings represented less than 1% of the outstanding common shares and preferred shares of Scotiabank or of any service provider to the Portfolios or Manager.

As at November 2, 2015, the members of the IRC, in aggregate, did not beneficially own more than 10%, directly or indirectly, any securities of any series of a Portfolio. As at November 2, 2015, the members of the IRC did not own any securities of the Manager or a service provider to the Portfolios or the Manager, other than common shares and preferred shares of Scotiabank. Such holdings represented less than 1% of the outstanding common shares and preferred shares of Scotiabank or of any service provider to the Portfolios or Manager.

Remuneration of Trustee and Members of the IRC

The Manager of the Portfolios has not received any remuneration in its capacity as trustee of the Portfolios.

Each member of the IRC receives a fee for attending each meeting of the IRC and each meeting held for education or information purposes, as well as an annual retainer and is reimbursed for reasonable expenses incurred. For the financial year ending December 31, 2014, each member of the IRC received the compensation and reimbursement of reasonable expenses as set out in the table below.

IRC Member	Compensation	Expenses Reimbursed
Robert S. Bell	\$58,500	\$1,774.56
Brahm Gelfand	\$48,000	\$1,440.63
Simon Hitzig	\$52,500	Nil
Garth MacRae*	\$51,000	Nil
D. Murray Paton	\$49,500	\$2,214.22
Carol S. Perry (Chair)	\$60,000	\$882.70

* On October 31, 2014, Mr. MacRae ceased to be a member of the IRC as a result of the expiry of his term of office.

These fees and expenses were allocated among all the investment funds managed by the Manager for which the IRC has been appointed in a manner that, in the Manager's view, is considered fair and reasonable.

Material Contracts

Copies of the Master Declaration of Trust, the Master Management Agreement, the Master Distributorship Agreement and the Custodian Agreement (the "Material Contracts") are available for inspection at the head office of the Manager during normal business hours.

Master Declaration of Trust

The Portfolios are governed by a master declaration of trust dated November 24 2011 and amended on November 19, 2012, July 11, 2013, September 16, 2013, November 8, 2013, December 30, 2013 and January 15, 2014, as amended and restated March 2, 2015, as amended on June 1, 2015 and as further amended and restated August 20, 2015 (the "Master Declaration of Trust") and the Manager is the trustee of all of the Portfolios. The Portfolios will continue until terminated by the trustee. Subject to applicable securities laws, the trustee is empowered to take all steps necessary to effect the termination of such Portfolios.

Master Management Agreement

The Master Management Agreement is between the Manager as the manager and the Manager, in its capacity as trustee of each Portfolio. The Master Management Agreement may be terminated by either party giving at least six months' prior notice to the other of such termination.

Master Distributorship Agreement

The master distributorship agreement, as amended and restated as of May 18, 2012, as amended on November 19, 2012, as amended on January 15, 2014, and as further amended on May 12, 2014 (the "Master Distributorship Agreement"), is between Scotia Securities Inc. and the Manager on behalf of each Portfolio. Provided that the terms of the Master Distributorship Agreement are satisfied, Scotia Securities Inc. may appoint participating dealers. The Master Distributorship Agreement may be terminated at any time upon the request of the distributor or by agreement of the distributor and the Manager, or after six months following a unitholders' meeting approving the termination.

Custodian Agreement

Scotiabank acts as custodian pursuant to the custodian agreement, as amended and restated as of May 18, 2012, as amended on November 19, 2012, as amended on July 23, 2013, as amended and restated on January 15, 2014, and as further amended on May 13, 2014 (the "Custodian Agreement"), between each Portfolio, the Manager and Scotiabank. The Custodian Agreement may be terminated by either party giving at least 60 days' prior notice to the other of such termination.

Securities Lending Agent Agreement

In the event a Portfolio engages in a securities lending, repurchase or reverse repurchase transaction then The Bank of Nova Scotia will be appointed as the Portfolio's securities lending agent. The Bank of Nova Scotia will be appointed as the Portfolios' securities lending agent. The principal office of The Bank of Nova Scotia is located in Toronto, Ontario. The general partner of the Manager is a wholly-owned subsidiary of the securities lending agent and therefore the securities lending agent is an affiliate of the Manager. The agreement entered into with the securities lending agent is expected to provide that:

- collateral equal to 102% of the market value of the loaned securities will be required to be delivered in connection with a securities lending transaction;
- the Portfolio will indemnify and hold harmless the securities lending agent from any loss or liability (including the reasonable fees and disbursements of counsel) incurred by the securities lending agent in rendering services under the agreement or in connection with any breach of the terms of the agreement or any loan by the Portfolio or the Manager on behalf of the Portfolio, except such loss or liability which results from the security lending agent's failure to exercise the standard of care required by the agreement; and
- the agreement can be terminated by any party on 5 business days' written notice.

Related Party Transactions

The Manager receives management fees and administration fees from the Portfolios as described under the sub-heading *The Manager* above.

Scotiabank may earn some income as a result of providing custodial services, including safekeeping and administrative services, and unitholder recordkeeping services to the Portfolios and as a result of acting as agent in respect of securities lending, repurchase and reverse repurchase transactions.

The Manager will earn income as a result of providing portfolio management services to the Portfolios. Scotia Capital Inc. will earn brokerage fees as a result of providing trade execution services for certain Portfolios from time to time.

Portfolios that invest in underlying funds that are managed by the Manager or an associate or affiliate of the Manager will not vote any of the securities of those underlying funds. The Manager may, however, arrange for unitholders to vote their share of those securities.

Auditor, Transfer Agent and Registrar

PricewaterhouseCoopers LLP, Chartered Professional Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2, is the auditor of the Portfolios.

The auditor of the Portfolios may only be changed with the approval of the IRC and upon providing unitholders of the Portfolios with 60 days' advance written notice in accordance with

the provisions of the Master Declaration of Trust for the Portfolios and as permitted by applicable securities laws.

The Manager acts as the registrar and transfer agent for the Portfolios pursuant to registrar and transfer agency agreements. The Manager has made arrangements to have certain registrar and transfer agency functions performed by Scotiabank.

The Promoter

The Manager is the promoter of the Portfolios. The Manager received, and will receive, remuneration from, and in respect of, each Portfolio as set out under *The Manager* and *Material Contracts*.

CERTIFICATES OF THE PORTFOLIOS, THE MANAGER AND THE PROMOTER OF THE PORTFOLIOS

November 12, 2015

Scotia INNOVA Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio

(collectively, the “Portfolios”)

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

“Jordy Chilcott”

Jordy Chilcott

Chairman of the Board and Co-President
(*Signing in the capacity of
Chief Executive Officer*)
1832 Asset Management G.P. Inc., as general
partner for and on behalf of 1832 Asset
Management L.P., as manager, trustee and
promoter of the Portfolios

“Michel Martil”

Michel Martil

Chief Financial Officer
1832 Asset Management G.P. Inc., as general
partner for and on behalf of 1832 Asset
Management L.P., as manager, trustee and
promoter of the Portfolios

ON BEHALF OF

the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf
of 1832 Asset Management L.P., as manager, trustee and promoter of the Portfolios

“Abdurrehman Muhammadi”

Abdurrehman Muhammadi
Director

“Jim Morris”

Jim Morris
Director

CERTIFICATE OF PRINCIPAL DISTRIBUTOR

November 12, 2015

Scotia INNOVA Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio

(collectively, the “Portfolios”)

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

Scotia Securities Inc.
as principal distributor of the Portfolios

By: “*Abdurrehman Muhammadi*”

Abdurrehman Muhammadi
Director

ScotiaFunds

SCOTIA INNOVA PORTFOLIOS®

Scotia INNOVA Income Portfolio (Series A and Series T units)
Scotia INNOVA Balanced Income Portfolio (Series A and Series T units)
Scotia INNOVA Balanced Growth Portfolio (Series A and Series T units)
Scotia INNOVA Growth Portfolio (Series A units)
Scotia INNOVA Maximum Growth Portfolio (Series A units)

Managed by:
1832 Asset Management L.P.
1 Adelaide Street East
28th Floor
Toronto, Ontario
M5C 2V9
www.scotiafunds.com
1.800.268.9269
fundinfo@scotiabank.com

Additional information about the Portfolios is available in the Portfolios' Fund Facts, management reports of fund performance and financial statements.

You can get a copy of the Portfolios' financial statements and management reports of fund performance free of charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1- 800-387-5004 for French, or from your registered investment professional or on our website at www.scotiafunds.com.

These documents and other information about the Portfolios, such as information circulars and material contracts, are also available at www.sedar.com.

® Registered trademarks of The Bank of Nova Scotia, used under licence.